



**RBA: KAPLAN ACQUISITIONS/SUNNYMEADE
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO: 3
AGENDA DATE: 7/29/2010
PAGE: 1 OF 2**

SUBJECT: Rescind prior approval to negotiate and execute a loan to KAPLAN ACQUISITIONS, L.L.C., or its affiliate, under the Rental Housing Development Assistance program in an amount not to exceed \$1,170,737 in General Obligation Bond funding designated for a proposed multi-family development at 501 East Oltorf Street.

AMOUNT & SOURCE OF FUNDING:

FISCAL NOTE: A fiscal note is attached.

REQUESTING DEPARTMENT: Austin Housing Finance Corporation

FOR MORE INFORMATION CONTACT: Elizabeth A. Spencer, Acting Director, Neighborhood Housing and Community Development, 974-3182

PRIOR COUNCIL ACTION:

PRIOR BOARD ACTION: April 10, 2008 – The motion approving the negotiation and execution of a loan to Kaplan Acquisitions, L.L.C. or its affiliate was approved.

Approval is requested to rescind the prior Austin Housing Finance Corporation (AHFC) Board action, which will de-obligate \$1,170,737 of affordable housing General Obligation Bond funds that can be used to fund other eligible projects. The proposed borrower, Kaplan Acquisitions, L.L.C., or its affiliate, has not executed loan documents.

Status of Proposed Multi-family Development at 501 E. Oltorf

Demolition of the former Sunnymeade Apartments has been accomplished, but there is no evidence of new construction taking place. A search of City of Austin permit records reveals that permits were issued on January 14, 2009 for six apartment buildings to be constructed on the site. Each of those permits expired June 1, 2010.

Proposed Use of De-obligated Funds

De-obligating these funds would allow the AHFC to fulfill two requests for additional funding on projects already approved by the AHFC Board.

Green Doors (formerly Community Partnership for the Homeless) has requested an additional \$200,000 for its affordable housing preservation and revitalization project which includes an apartment complex on Sweeney Circle. The additional funding is needed due to unanticipated costs related to mold remediation in the 46-unit complex.

The Mary Lee Community, an affiliate organization of the Mary Lee Foundation, has requested an additional \$225,000 for its 64-unit Willows development at 1330 Lamar Square Drive. Funding will be used to fill a financing gap and for unanticipated costs related to removal of old construction debris that had been buried on the site of an apartment building constructed in 1969. That apartment building was demolished earlier this year and is being replaced by the Willows.

In addition, staff anticipates bringing forward an item for consideration by the AHFC Board at its August 5, 2010 meeting which would provide funding for a project serving very low-income persons with disabilities.

**AUSTIN HOUSING FINANCE CORPORATION
CIP BUDGET
FISCAL NOTE**

Date of Board Consideration: 7/29/2010
Agenda Item: Kaplan Acquisitions (former Sunnymeade Apts.)
Division: Real Estate and Finance Development

SUBJECT:

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FINANCIAL INFORMATION:

Parent Project Name: 2006 General Obligation Housing Bonds
Project Authorization: Approved AHFC Capital Budget

Current Appropriation	\$ 41,855,495.00
Available Balance	\$ (94,997.37)
Amount of This Action	\$ 1,170,737.00
Remaining Balance	\$ 1,075,739.63

Use of Remaining Balance:

Remaining funds will be used for future eligible projects.

Community Development Administrator
(over AHFC Finances)

Signature: Diana L. Domeracki

Date: 6/18/2010